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## **CAPH Responds to Governor's May Budget Revision**

OAKLAND, CA, May 13, 2014 – Erica Murray, President and CEO of the California Association of Public Hospitals and Health Systems issued the following statement today regarding Governor Brown's revised budget plan for FY 2014-15:

The May Revision brings us good news about California's implementation of health reform. Nearly two million previously uninsured individuals are now enrolled in Medi-Cal, a higher number than expected. We know that such coverage expansion can help improve the health and financial security of California's lowest income populations. More than 630,000 of these new Medi-Cal enrollees were transitioned in January directly from the Low Income Health Program, an early county-based coverage expansion effort in which California's public health care systems are proud to have played a leading role.

As part of California's health reform implementation, the FY 2013-14 state budget included an agreement between the state and counties to return to the state a portion of the funds historically used to support local care to the uninsured. Per this agreement, the May Revision includes \$724.9 million in projected state budget savings associated with the redirection of county indigent funding in FY 2014-15, a decrease from the original estimate of \$900 million.

Although CAPH is pleased to see that the total amount of funds proposed for redirection has been reduced from the Governor's January budget plan, it is important to keep in mind that for public health care system counties, the "take back" amount is a projected estimate of how health reform will play out next year. While it is too early to tell how health reform implementation will impact the safety net, we know that millions of Californians will remain without coverage, and public health care systems must have sufficient resources to continue to serve them.

In addition, we would like to express our disappointment that the May Revision does not reverse retroactive Medi-Cal payment cuts to hospital-based skilled-nursing facilities.

*CAPH represents California's 21 public health care systems, comprised of county-owned and -operated facilities and University of California medical centers, committed to ensuring excellent patient experience, maximizing health outcomes, and delivering high-value care to the state's lowest income and most vulnerable populations.*

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